



**CABINET FOR HEALTH AND FAMILY SERVICES  
DEPARTMENT FOR MEDICAID SERVICES**

**Steven L. Beshear**  
Governor

275 E. Main Street, 6W-A  
Frankfort, KY 40621  
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**Janie Miller**  
Secretary

**Elizabeth A. Johnson**  
Commissioner

October 21, 2008

Teresa DeCaro, RN, M.S.  
Acting Associate Regional Administrator  
Division of Medicaid and Children's Health Operations  
Centers for Medicare and Medicaid Services  
61 Forsyth Street, SW, Suite 4T20  
Atlanta, Georgia 30303-8909

Dear Ms. DeCaro:

Kentucky Title XIX State Plan Transmittal No. 08-014,  
Drug Reimbursement for Hemophilia Treatment and 340B Programs

Enclosed is a copy of the Kentucky Title XIX Transmittal Number 08-014. This plan amendment reimburses 340B drug pricing entities a dispensing fee of twelve (12) and one-half (1/2) cents per unit for hemophilia clotting factor.

If additional information is needed, please contact my office at 502-564-4321.

Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth A. Johnson", with a long horizontal flourish extending to the right.

Elizabeth A. Johnson  
Commissioner

EJ/RD/NW/SO/ks

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
08-014

2. STATE  
Kentucky

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
January 1, 2009

5. TYPE OF PLAN MATERIAL (*Check One*):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:  
42 USC Chapter 6A, Subchapter II, Part D, subpart vii, 256b; 42 USC  
701(a)(2)

7. FEDERAL BUDGET IMPACT:  
a. FFY 2009 - savings of \$150,000  
b. FFY 2010 - savings of \$200,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att. 4.19-B page 20.2

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):

Same

10. SUBJECT OF AMENDMENT:

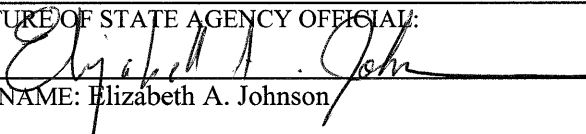
This plan amendment reimburses 340B drug pricing entities a dispensing fee of twelve (12) and one-half (1/2) cents per unit for hemophilia clotting factor.

11. GOVERNOR'S REVIEW (*Check One*):

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED: Review delegated  
to Commissioner, Department for Medicaid  
Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME: Elizabeth A. Johnson

14. TITLE: Commissioner, Department for Medicaid Services

15. DATE SUBMITTED: October 21, 2008

16. RETURN TO:

Department for Medicaid Services  
275 East Main Street 6W-A  
Frankfort, Kentucky 40621

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:

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Methods and Standards for Establishing Payment Rates — Other Types of CareC. Dispensing Fee

1. When establishing dispensing fees, the Department takes into consideration the conclusions of a report regarding the dispensing of prescription medications to persons eligible for Medicaid benefits. The report is based upon a survey of pharmacy dispensing costs in the Commonwealth of Kentucky, a review of academic literature, and the reimbursement rates of other payers. The report, required by state law, is submitted every three (3) years to the Governor and to the Legislative Research Commission. Utilizing the above information the Department establishes a reasonable dispensing fee.

Effective February 23, 2005, the dispensing fee for a generic drug prescription is \$5.00 and for a brand name drug prescription is \$4.50. The dispensing fee is applied to outpatient pharmacies and to long term care facilities.

2. For nursing facility residents meeting Medicaid patient status, an incentive of two (2) cents per unit dose shall be paid to long term care pharmacists for repackaging a non-unit dose drug in unit dose form.
3. The department shall reimburse for hemophilia treatment, including a factor product or related item, provided by a comprehensive hemophilia diagnostic treatment center participating as a 340B drug pricing program entity:
  - a. Exclusively via the department's 340B drug pricing program; and
  - b. At the 340B drug pricing program ceiling price for the factor product pursuant to 42 USC Chapter 6A, Subchapter II, Part D, subpart vii, 256b plus a dispensing fee of twelve (12) and one-half (1/2) cents per unit.
4. The department shall reimburse for hemophilia treatment, including a factor product or related item, provided by an entity that is not a 340B drug pricing program entity in accordance with the drug reimbursement provisions established in attachment 4.19-B.